

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	SEP 20 2016
Returned to applicant for correction	
Corrected application filed	Map filed SEP 20 2016

The applicant Lincoln County Water District and Vidler Water Company, Inc.

P.O. Box 206 of Pioche
Street Address or PO Box City or Town
NV, 89043
State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion ☒ Place of use ☒ Manner of use ☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 83001

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1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 5 acre feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Stock
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use
4. The water heretofore used for ~~200 head of cattle~~ Municipal ^{11/22} _{AB}
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
Within the SW1/4 NW1/4 Section 2, T.9S., R.69E. M.D.M., or at a point from which bears S 23°55'50.4" W 2,915.72 ft to SW Section corner. Reference well log No. 99808.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
Within the SE1/4 SW1/4 Section 6, T. 10S., R.69E. M.D.M., or at a point from which the South 1/4 Corner of Section 6 bears South 44°40'50" East, a distance of 1154.12 feet. Located within Tule Desert. Reference map filed under permit 81619.

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7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

SE1/4 NE1/4 Section 35, T.8S., R.69E., NE1/4 SW1/4 Section 14, T.9S., R.69E., SW1/4 NW1/4 Section 15, T.9S., R.69E., NW1/4 NE1/4 Section 27, T.9S., R.69E., NE1/4 NE1/4 Section 8, T.10S., R.69E. M.D.M. See attached map.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

All of T.12S., R.71E., and Sections 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 35, and 36, T.12S., R.70E. M. D. B. & M.; Section 36 T.11S., R.69E., M.D.M

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Equip Drilled well, pump, motor, solar panels and pipeline system to troughs.

12. Estimated cost of works \$30,000.00

13. Estimated time required to construct works 1 year
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

Water to be used for stockwatering of 200 head of cattle

16. Miscellaneous remarks:

Water is being leased to Tule Ranch Management, LLC, they are the current allotment BLM permit holders in Tule Desert, please see the attached document.

leann@vidlerwater.com

E-mail Address

775-885-5000

Phone No.

106

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

LeAnn Brandt

Type or print name clearly

LeAnn Brandt
Signature, applicant or agent

Vidler Water Company, Inc.

Company Name

3480 GS Richards Blvd. Suite 101

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code

TEMPORARY LEASE OF GROUNDWATER RIGHTS

This Temporary Lease of Groundwater Rights ("Lease") is entered into on this 16th day of May, 2016, by Tule Ranch Management LLC ("LESSEE"), and Lincoln County Water District, a political subdivision of the State of Nevada, and Vidler Water Company, a Nevada limited liability company (together as "LESSOR").

Recitals

WHEREAS, the Lincoln County Water District ("District") is a political subdivision of the State of Nevada created pursuant to special legislation in 2003 (Senate Bill 336);

WHEREAS, the District's enabling legislation allows the District to enter into and do any acts necessary or proper for the performance of any agreement with any public or private corporation...for the transfer or delivery to any....corporation...of any water right or water pumped, stored appropriated or otherwise acquired or secured for the use of the District;

WHEREAS, the District and Vidler Water Company ("Vidler") jointly own water permits in the Tule Desert (Basin #221), including under application number 83001 with the Nevada Division of Water Resources ("NDWR");

WHEREAS, LESSEE desires to lease a portion of LESSOR's water rights associated with the NDWR Permit No(s). 83001 for a period of twenty (20) years;

WHEREAS, LESSOR is willing to lease a portion of its water rights associated with Nevada Division of Water Resources Permit No(s). 83001;

WHEREAS, the parties have agreed on the amount of water rights to be leased, the term of the lease for the use of the water rights, and the compensation to be paid for the water rights leased, all as set forth herein; and

WHEREAS, for the convenience of both parties and to allow the effective and efficient diversion and consumption of the water utilized under this Lease, LESSEE, at its sole expense, is willing to file an application with the Nevada Division of Water Resources ("DWR") to temporarily change the place of use, purpose of use, and point of diversion of LESSOR's water rights as allowed by NRS 533.345.

Covenants

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. Subject to authorization from DWR and in compliance with NRS Section 533.345, LESSOR leases to LESSEE Five (5) acre-feet per year ("AFY") of consumptive use water rights for a period of Twenty (20) years with Five (5) year review periods from the time that the Office of the State Engineer approves the temporary Application to Change Place and/or Purpose of

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Use and Point of Diversion.

2. LESSEE will pay LESSOR for the water rights leased at a rate of [REDACTED] per acre foot of consumptive use, or [REDACTED] per year for Five (5) acre feet of consumptive use. Water usage will be recorded via a water meter approved by the DWR. LESSEE will supply to LESSOR the initial meter reading prior to the pumping of the leased water rights. LESSEE will also supply LESSOR with a copy of the monthly pumpage report submitted to the DWR. All payments due hereunder may be made by check, cashier's check, wire or electronic funds transfer. Payments will be made to LESSOR within fifteen (15) days of receipt of the invoice. LESSOR reserves the right to inspect the meter installation and operation in coordination with LESSEE.
3. LESSEE will file an *Application for Temporary Permit to Change Location of Well and Place and/or Purpose of Use of Underground Waters* ("Application") with the DWR that seeks to temporarily expand the place of use, purpose of use, and point of diversion of the Five (5) acre-feet per year of consumptive use water rights. The temporary move-to point of diversion will be determined at a later date and as approved by both parties. This Application will be filed pursuant to NRS 533.345 and LESSOR will support the Application.
4. [REDACTED] the Application for the temporary transfer of LESSOR's water rights to accomplish this lease. LESSEE will be represented by its own attorney in all matters concerning the Application. [REDACTED] filing the application and in defending any protest to the Application, if a protest is filed, or in otherwise prosecuting the Application but may cease prosecution of the Application if it is protested. LESSEE will consult and coordinate with LESSOR regarding the prosecution of the Application, and all decisions that could impact LESSOR's water rights will be made by the LESSOR. [REDACTED]
[REDACTED] If the application is not initially approved by the DWR, then the Lease is of no effect.
5. Unless terminated by the provisions hereof, the Lease shall remain in effect through ****. LESSEE reserves the right to terminate the Lease upon sixty (60) days written notice to LESSOR. If LESSEE terminates the lease, LESSOR will retain the entire payment for that respective year regardless of the amount of water diverted. Upon termination of the Lease, the water and the location of use subject to the Lease will revert to LESSOR's original use and location of use as provided in NRS 533.345. LESSEE and LESSOR will provide written notice to the DWR upon termination of the Lease to ensure that the water rights revert to LESSOR's original move-from location. LESSEE will also fully cooperate with LESSOR and with the DWR to provide any additional documentation that may be required by the DWR to ensure that LESSOR's water rights revert to LESSOR's original move-from location.
6. If for any reason there shall be default on the part of either party, and the defaulting party fails or refuses to comply with any of the terms or provisions hereof, then at the option of

non-defaulting party, the non-defaulting party may give notice in writing to the defaulting party of such default, specifying the nature and character thereof, and unless the default shall be corrected within ten (10) days after the receipt by the defaulting party of such notice, then at the option of non-defaulting party the Lease shall be terminated.

7. Notices hereunder shall be deemed sufficiently given when received in the United States mail at the appropriate address, postage prepaid, registered, return receipt requested, and addressed as follows:

LESSEE: Tule Ranch Management LLC
Attn: Greg Newby
517 Belmont Dr.
St. George, UT 84790

LESSOR: Lincoln County Water District
Attn: Wade Poulsen
P.O. Box 936
Panaca, NV 89042

Vidler Water Company
Attn: Dorthy Timian-Palmer
3480 GS Richards Boulevard
Suite 101
Carson City, NV 89703

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8. The parties represent and warrant that they are authorized to execute the Lease on behalf of the respective parties hereto and do so freely and voluntarily.
9. The Lease shall be governed by the laws of the State of Nevada.
10. The parties represent that they have carefully read and reviewed the terms of the Lease and that they understand it.
11. The parties further acknowledge that this instrument constitutes the entire agreement and that all of the terms hereof are contractual and not mere recitals.
12. In the event that any provision contained in the Lease shall be held void, unenforceable, invalid or illegal by a court of competent jurisdiction, the remaining provisions of the Lease shall not be held void, unenforceable, invalid or illegal and all such other provisions shall continue in full force and effect.
13. The Lease may not be assigned by LESSEE without LESSOR's express written permission.
14. No provision of the Lease is intended to create in the public or in any member thereof a third party beneficiary status or to authorize anyone not a party to the Lease a right to enforce any provision of the Lease.
15. This Lease shall inure to the benefit of and be binding upon the Parties' respective successors and assigns.

16. This Lease may be executed in counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed the Lease on the day and year first above written.

LESSEE

By Kenneth B. Newby

Date 6-9-16

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LESSOR

By Paul Maffei

Date May 16, 2016

By Garret. M. M. M.

Date May 17, 2016